

**TEXAS HOUSE OF REPRESENTATIVES  
COMMITTEE ON APPROPRIATIONS**



**SUBCOMMITTEE ON ARTICLE III  
CHAIRMAN TRENT ASHBY**

THURSDAY, MARCH 24, 2016  
10:00 A.M.  
ROOM E1.030

**I. CALL TO ORDER**

**II. CHAIRMAN'S OPENING REMARKS**

**III. TESTIMONY**

Conduct a review of current funding formulas for community colleges. Specifically, focus on the elements of the instructional funding structure created by the 83rd Legislature: core operations, student success points, and contact hour funding and also the adequacy of state funding to sustain community colleges in light of the variance in resources available to individual colleges. Make recommendations for possible changes to the funding structure of community colleges or changes in the levels of current funding given the future workforce and higher educational needs of the state.

**LEGISLATIVE BUDGET BOARD**

- *Emily Toensing*, Analyst, Legislative Budget Board
- *Demetrio Hernandez*, Manager, Legislative Budget Board

**TEXAS HIGHER EDUCATION COORDINATING BOARD**

- *Dr. Raymund A. Paredes*, Commissioner, Higher Education Coordinating Board

**COMMUNITY COLLEGE PANEL #1**

- *Jacob Fraire*, President and CEO, Texas Association of Community Colleges
- *Dr. Greg Williams*, President, Odessa College
- *Raymond Lewis*, Trustee, Galveston College

**COMMUNITY COLLEGE PANEL #2**

- *Dr. Pam Anglin*, President, Paris Junior College
- *Dr. Joe May*, Chancellor, Dallas County Community College District
- *Dr. Cheri Sparks*, President, Howard College

**COMMUNITY COLLEGE PANEL #3**

- *Dr. Johnette McKown*, President, McLennan Community College
- *Dr. Brenda Hellyer*, Chancellor, San Jacinto College
- *Dr. Bruce Leslie*, Chancellor, Alamo Colleges

**IV. PUBLIC TESTIMONY**

**V. ADJOURNMENT**



## LEGISLATIVE BUDGET BOARD

# Texas Public Higher Education

## Public Community/Junior Colleges Funding Overview

**PRESENTED TO HOUSE APPROPRIATIONS COMMITTEE**

**SUBCOMMITTEE ON ARTICLE III and HOUSE COMMITTEE ON HIGHER EDUCATION**

**LEGISLATIVE BUDGET BOARD STAFF**

**MARCH 24, 2016**

# Overview of Community College Funding

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- Community college funding comes from three primary sources
  - 1) State Appropriations
  - 2) Tuition and Fee Revenue
  - 3) Local Property Tax Revenue
- Unlike other institutions of higher education, tuition and fee revenue is not included in state appropriations for community colleges.
- Appropriations are made up of formula funding, Special Items, and Bachelor of Applied Technology programs.

# Formula Funding

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- Formulas are a distribution method for higher education funding. Higher Education formulas do not create a statutory or constitutional entitlement.
- Unlike other institutions, formula funding for community colleges is funded entirely with General Revenue and does not include tuition and fee revenue as part of the method of finance.
- Community colleges report contact hour and success points data to the Texas Higher Education Coordinating Board (THECB). THECB compiles the data and provides success points and weighted contact hour data to the Legislative Budget Board.

# Formula Funding

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- Beginning in the 2014-15 biennium, the Legislature implemented a new outcomes-based model for the Instructional and Administrative formula that includes three funding components:
  - **Core Operations** (\$1.0 million per institution)
  - **Success Points** (10 percent of remaining formula funding)
  - **Contact Hours** (90 percent of remaining formula funding)

# Formula Funding – Core Operations

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- Each community/junior college district receives \$1.0 million per biennium to help cover basic operating costs, regardless of size or geographic location.
- Core Operations replaced the community college small institution supplement.

# Formula Funding – Success Points

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- After Core Operations is funded, 10 percent of the remaining funds are distributed based on Success Points.
- Success Points are funded based on a three year average of success points earned by students at each community college.
- Students are able to earn success points through eleven different metrics.



# Formula Funding – Success Points

<u>Metric</u>	<u>Points</u>
▪Student successfully completes developmental education in mathematics	1.0
▪Student successfully completes developmental education in reading	0.5
▪Student successfully completes developmental education in writing	0.5
▪Student completes first college-level mathematics course with a grade of "C" or better	1.0
▪Student completes first college-level course designated as reading intensive with a grade of "C" or better	0.5
▪Student completes first college-level course designated as writing intensive with a grade of "C" or better	0.5
▪Student successfully completes first 15 semester credit hours at the institution	1.0
▪Student successfully completes first 30 semester credit hours at the institution	1.0
▪Student transfers to a General Academic Institution after successfully completing at least 15 semester credit hours at the institution	2.0
▪Student receives from the institution an associate's degree, a Bachelor's degree, or a certificate recognized for this purpose by the Coordinating Board in a field other than a critical field, such as Science, Technology, Engineering and Mathematics (STEM), or Allied Health.	2.0
▪Student receives from the institution an associate's degree, a Bachelor's degree, or a certificate recognized for this purpose by the Coordinating Board in a critical field, including the fields of Science, Technology, Engineering or Mathematics (STEM), or Allied Health.	2.25

# Formula Funding – Contact Hours

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- The remaining 90 percent of funds are distributed based on the number of contact hours for each community college.
- A contact hour is a time unit of measure that represents an hour of scheduled academic or technical class time, 50 minutes of which must be instructional.
- Contact hour funding is based on each community college's share of total weighted base year contact hours.

# Formula Appropriations

	2014-15 Appropriations		2016-17 Appropriations	
Formula	Formula General Revenue (in millions)	Annual All Funds Rate	Formula General Revenue (in millions)	Annual All Funds Rate
Contact Hour	\$1,547.8	\$2.65	\$1,522.5	\$2.69
Success Points	\$172.0	\$185.12	\$169.2	\$172.58
Core Funding	\$50.0	\$0.5 million per district	\$50.0	\$0.5 million per district
Total	\$1,769.8		\$1,741.7	

Note: 2016-17 amounts do not include hold harmless funding. 2016-17 appropriations included \$4.0 million for a 90 percent hold harmless.

# Other Funding

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- Special Items
  - \$30.8 million for the 2016-17 biennium
  - Range from \$331,140 at Laredo Community College for the Regional Import/Export Training Center, to \$8,900,000 at Alamo Community College for the Veteran's Assistance Centers
  
- Bachelor of Applied Technology Programs
  - Brazosport College
  - Midland College
  - South Texas College
  - Calculated by multiplying the weighted semester credit hours by the same General Revenue I&O rate used by the General Academic Institutions



## LEGISLATIVE BUDGET BOARD

### **Contact the LBB**

Legislative Budget Board

[www.lbb.state.tx.us](http://www.lbb.state.tx.us)

512.463.1200

**Written Testimony for the House Committee on  
Higher Education & the Appropriations Subcommittee on  
Article III<sup>1</sup>**

*Joint Interim Hearing – March 24, 2016*



**Raymund Paredes**

Commissioner of Higher Education

Texas Higher Education Coordinating Board

1200 E. Anderson Lane

Austin, TX 78752

(512) 427-6111

Raymund.Paredes@theccb.state.tx.us

*Interim Charge:*

*Conduct a review of current funding formulas for community colleges. Specifically, focus on the elements of the instructional funding structure created by the 83rd Legislature: core operations, student success points, and contact hour funding and also the adequacy of state funding to sustain community colleges in light of the variance in resources available to individual colleges. Make recommendations for possible changes to the funding structure of community colleges or changes in the levels of current funding given the future workforce and higher educational needs of the state.*

**I. Community College Importance to 60x30TX Goals**

- a. I'd like to begin my remarks by giving some context regarding the role that our state's community colleges play in meeting statewide goals for higher education and providing affordable access to higher education.
- b. The Texas community college system is a critical pillar in our state's system of higher education, and an important contributor to our ability to meet our state's goals for students in higher education under the 60x30TX strategic plan.
- c. At the Coordinating Board, we have always included community colleges in our measures for statewide goals. For instance, under *Closing the Gaps*, we included students earning a workforce certificate in our measure of successful completions and we continue to include certificates in our attainment and completion measures for 60x30TX.
- d. The work community colleges do to prepare students for transfer is vital to meeting our state completion goals. More than 75 percent of transfer students from a community college take 30 or more semester credit hours prior to transfer. Those with more hours complete a bachelor's degree within four years at higher rates than students who transfer with fewer than 30 hours.

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<sup>1</sup> Written testimony prepared in advance of Legislative hearing: actual testimony may diverge from this document.

- e. Though completion and transfer are obviously important, community colleges also play a significant role beyond attainment of an associate degree or certificate or earning credits toward a university degree. In fact, for first-time students enrolled in a two-year college in Fall 2015, almost one quarter were not pursuing a degree.
  - i. According to the Texas Education Code, the role and mission of public junior colleges is as follows:

*Texas public junior colleges shall be two-year institutions primarily serving their local taxing districts and service areas in Texas and offering vocational, technical, and academic courses for certification or associate degrees. Continuing education, remedial and compensatory education consistent with open-admission policies, and programs of counseling and guidance shall be provided. Each institution shall insist on excellence in all academic areas--instruction, research, and public service.*

(Source: Texas Education Code, Sec. 130.0011)

## **II. The Critical Link Between ISDs and Community Colleges**

- a. Community colleges serve as a critical link between independent school districts and higher education:
  - i. In the Fall of 2014, of those high school graduates enrolling at a public institution directly from high school, 54% enrolled in a public 2-year and 46% enrolled in a public 4-year institution. And as you can see on the slide we've provided, 47% of those students enrolling at public 2-year institutions are economically disadvantaged, compared to 35% at public 4-years.
  - ii. Moreover, our two-year colleges play a crucial role in aiding students to achieve college readiness. Of 100 students attending two-year colleges in the Fall of 2011 who were deemed not ready for college, 50 eventually achieved college readiness in reading, 43 in writing and 29 in math. However, its concerning that of those 100 students, only 37 then go on to complete a college-level course in reading, 31 complete a college-level course in writing, and 16 complete a college-level course in math.
  - iii. With changes to the dual credit program, two-year institutions' efforts to provide quality college courses for high school students will take on an increasing importance. In fall 2015, about 94% of all dual credit enrollments in Texas were at community and technical colleges. This represented 125,000 students, a 17 percent increase from the previous fall.

## **III. Keeping Community Colleges Affordable**

- a. Currently, Texas community colleges are a great value, with average tuition and fees among the lowest in the country. The sector will need to maintain its focus on providing accessible, affordable educational opportunity to students.
  - i. One of the most important strategies the community college sector can embrace is reducing the number of hours that students take beyond their degree requirements. As of 2015, students in Texas averaged 90 semester credit hours to complete a two year degree, which typically only requires 60 semester credit hours.

- ii. It's also important to finance higher education in a manner that most effectively balances state appropriations, tuition and fees, financial aid and, in the case of community colleges, local tax revenue. Reductions in any one of these sources of funding can shift the burden to the others, and potentially lead to reduced access or increased costs for students and taxpayers.
  - iii. On a per-FTSE basis and adjusted for inflation, state formula funding for community colleges has declined from \$2,740 in 2003 to \$1,913 in 2015, while net tuition and fee revenue increased from \$1,470 to \$1,923. For general academic institutions, inflation-adjusted formula funding declined from \$4,379 per FTSE in 2003 to \$3,122 in 2015, while net tuition and fee revenue (including both undergraduate and graduate students) rose from \$4,330 to \$8,256.
- b. Affordability is a key to the success of our two-year colleges:
  - i. Using national comparative data, average annual tuition and fees at Texas public two-year institutions are the 3rd lowest among all states, and Texas public universities rank 20<sup>th</sup> on this measure. As reported through the Coordinating Board's Integrated Financial Reporting System (IFRS), average tuition and fees for an undergraduate student taking 15 semester credit hours per semester in FY2015 is \$2,675 at two-year institutions and \$8,199 at four-year institutions.
  - ii. Keeping our public two-year colleges affordable is crucial in meeting the completion goals of *60x30TX*: During fiscal year 2015, nearly three-quarters of bachelor's graduates took at least one semester credit hour at a two-year institution; 35.3 percent of graduates took 30 or more semester credit hours at a two-year institution.

#### **IV. Current status of Community College Funding**

- a. Statute (Texas Education Code 61.059) has long required the Coordinating Board to, "devise, establish, and periodically review and revise formulas for . . . making appropriations recommendations to the legislature for all institutions of higher education." The 82<sup>nd</sup> Texas Legislature added TEC 61.0593, which specifically requires the Board, in consultation with institutions, to make recommendations to incorporate undergraduate student success measures into formula funding recommendations.
- b. Prior to the 83<sup>rd</sup> Texas Legislature, our Community and Technical Colleges Formula Advisory Committee (CTCFAC), composed of representatives from public 2-year institutions, proposed a model for funding student success. This recommendation was endorsed by the Coordinating Board as well as the Texas Association of Community Colleges (TACC).
- c. As you know, the 83<sup>rd</sup> Texas Legislature adopted the model. Instead of funding simply being based on contact hour enrollment, the Legislature adopted a model that provided:
  - i. \$1 million per community college district as Core Operations funding;
  - ii. Student Success funding that provided funding to institutions based on the number of students who complete specific measures, including developmental education, a first college-level course, and transfer to a



university and completing a degree or certificate<sup>2</sup>. The 83<sup>rd</sup> Legislature funded student success at \$185 per point; and

- iii. Contact Hour enrollment funding similar to the previous formula.
- d. For the 84<sup>th</sup> Legislature, the Coordinating Board and TACC both recommended that that the legislature hold the per-point funding for student success points level at \$185, so that institutions that increase their student success points over their previous performance would realize a real gain in their student success funding.
- e. Providing adequate funding for student success points is critical to making the student success model work. Increasing student success requires institutions to invest resources into advising, tutoring, and other programs to help students complete. If they are not adequately funded for their increases in student success, the incentive to make those kinds of investments is much weaker.
- f. The Legislature continued the three-part model for community college formula funding for the current biennium. While Core Operations funding stayed level and per-contact hour enrollment funding saw a slight increase, a concern is that student success point funding actually decreased from \$185.12 in 2013 to \$172.58 in 2015. According to the Texas Association of Community Colleges, the reduced level was not adequate to “reward student improvement.”

#### **V. Possible Coordinating Board Recommendations on Community College Funding**

- a. At our April Board Meeting, the Coordinating Board will consider and adopt the community college formula funding recommendations for the 2018-2019 biennium. I don’t want to predict what our Board may ultimately decide, but I can say that my recommendation will be that the Legislature increase funding to community colleges to cover their enrollment growth and the cost of inflation, and that the Legislature make a significant additional investment in student success points. This would represent a total increase of 9.1% over the FY16-17 funding level, and an increase in the student success point funding to \$215 per point.
- b. I make this recommendation because investing in student success points would send a powerful message to our community colleges that the Legislature is deeply interested in the results they have helping students complete their education. The current 3-year completion rate for first time, full time college students at community colleges is 15%, and the 6-year completion rate is 33%. Community colleges have a difficult mission and unique challenges in serving their student population, so it is important that the Legislature recognize and reward their success.
- c. One additional recommendation that I will make to the Board concerns formula funding for competency-based education (CBE). These courses, such as those being offered at Texas A&M Commerce and South Texas College through the Texas Affordable Baccalaureate (TAB) Program, advance a student once they demonstrate mastery of the subject, rather than having a “time-in-seat” requirement.

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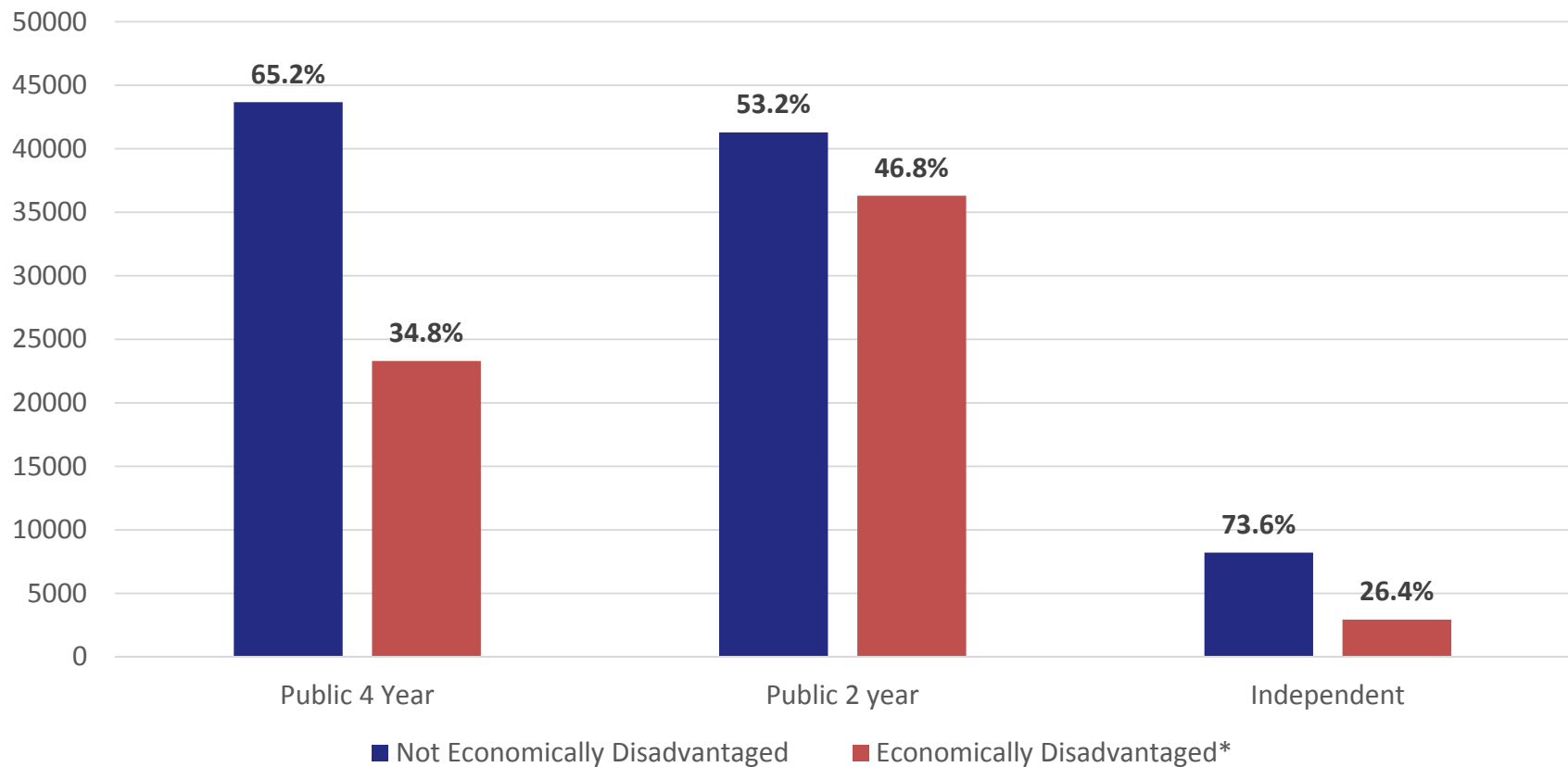
<sup>2</sup> Success point appropriations are based on a three-year average for:

- 1) the number of students who complete developmental education;
- 2) the number of students who complete their first college-level course;
- 3) the number of students who earn 15 Semester Credit Hours (SCH) and earn 30 SCH;
- 4) the number of students who transfer to a senior institution; and
- 5) the number who earn a certificate or degree or earn a degree in a critical field.

- d.** CBE has tremendous potential as a cost saver for students, families and the state by reducing time-to-degree, cutting student debt, and speeding graduates' entry into the workforce.
- e.** As we seek to expand these programs, it is important that their formula funding be designed to incent performance but also to support the growth of competency-based education in Texas.
- f.** Currently, the institutions are funded in the formula once the student demonstrates mastery and completes the course. A concern for those institutions offering CBE courses is that they do not receive any funding for students who drop or fail the course, unlike traditional courses (which are funded based on enrollment on the 12<sup>th</sup> class day).
- g.** Accordingly, I will recommend that a formula adjustment be added to account for courses students start but never complete. This adjustment would help pay for the instructional costs of students who attempt CBE but do not complete all the modules associated with a course.

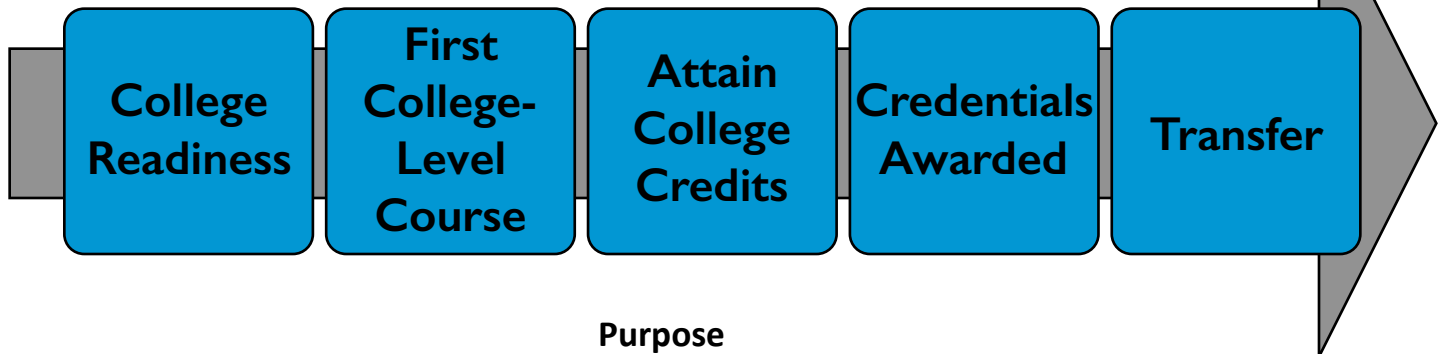
# Public 2-Year Colleges Are Particularly Important to Economically Disadvantaged Students

2014 High School Graduates Enrolled in Higher Education Fall 2014



\*High school students who received free or reduced lunch.

## Performance Based Funding for Texas Community Colleges Student Success Points



### Purpose

- The goal of the student success points system is to reward colleges for improvement in student achievement.
- The student success points model rewards colleges for getting students college-ready, completing the first college-level course, obtaining benchmark college credits of 15 and 30 semester credit hours, earning degrees and certificates, and transferring to a university with at least 15 semester credit hours.

### Current Funding

- The Student Success Point appropriation for the 2016-17 biennium was \$169.2 million; 10-percent of the instructional funds appropriated to community colleges (after first deducting the core amount).
- Student success points were funded at \$173 per point; not funded at a level to reward student improvement and maintain the “compete against yourself” system (\$185 per point).

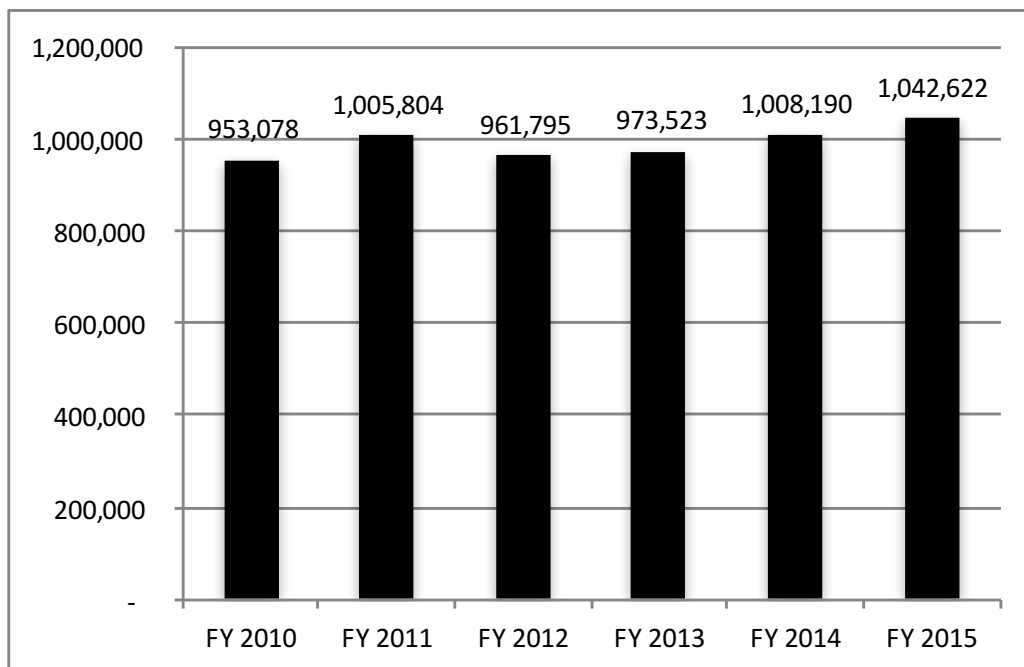
### TACC Recommendation 2018-19 Biennium

- A priority of Texas Community Colleges for the 85th Texas Legislature is to have student success points funded at \$185.12 per point.
  - This level of funding will ensure that community colleges have an incentive to increase performance.

- This level of funding will ensure that each college district competes against itself.
- The funding request of \$186.6 million is based on the FY 13-14-15 3-year average of 1,008,112 student success points multiplied by the \$185.12 rate.

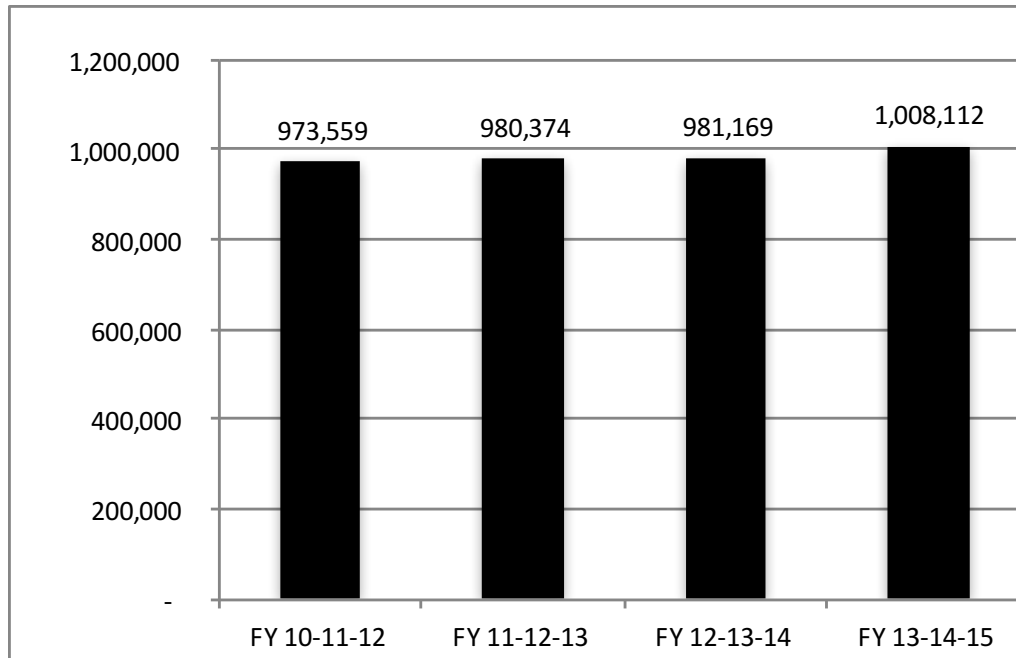
### Student Success Points - Highlights

- Total Student Success Points generated by Texas Community Colleges have increased **9.4 percent** since FY 2010.



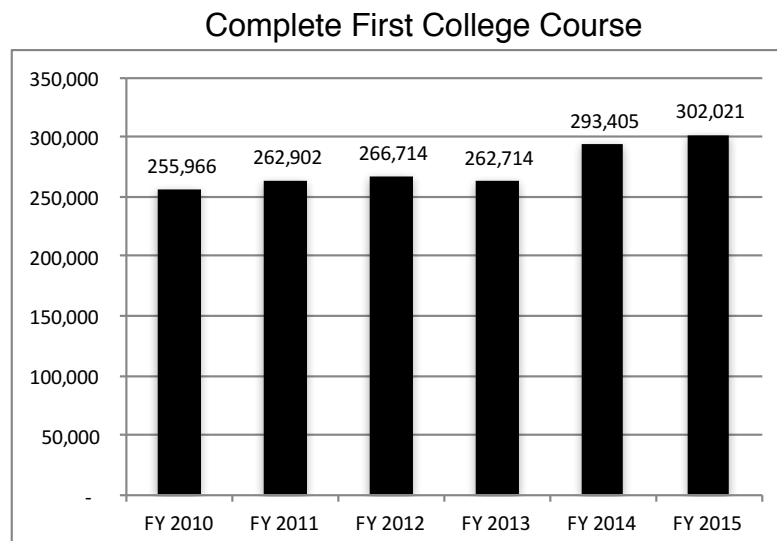
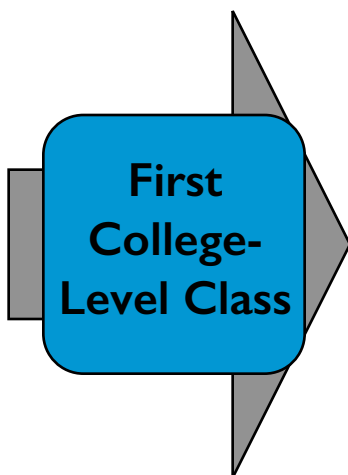
Student Success Points: FY 2010 to FY 2015

- The 3-year average for student success points by Texas Community Colleges has increased **2.7 percent** since FY 10-11-12.

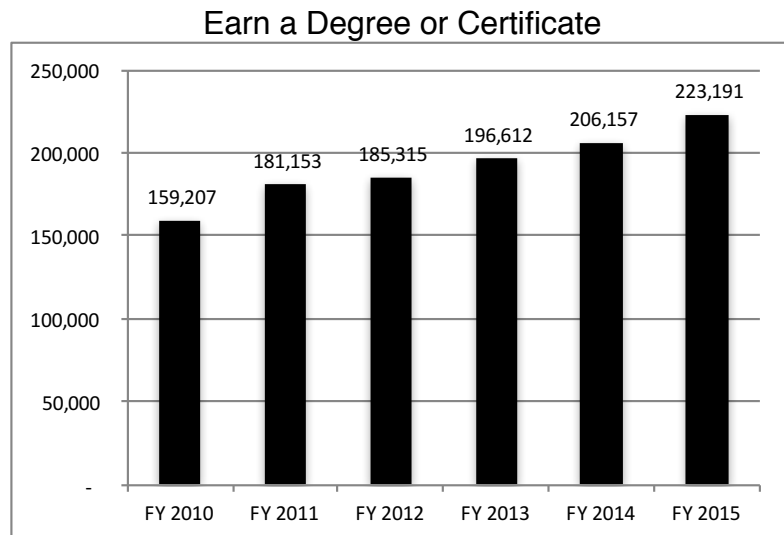


Student Success Points 3-year average: FY10-11-12 to FY 13-14-15

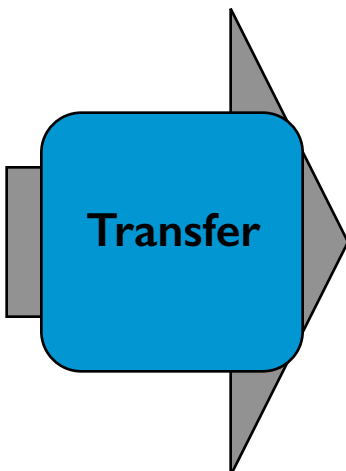
- The number of students who are completing their first college-level course has increased **18 percent** since FY 2010.



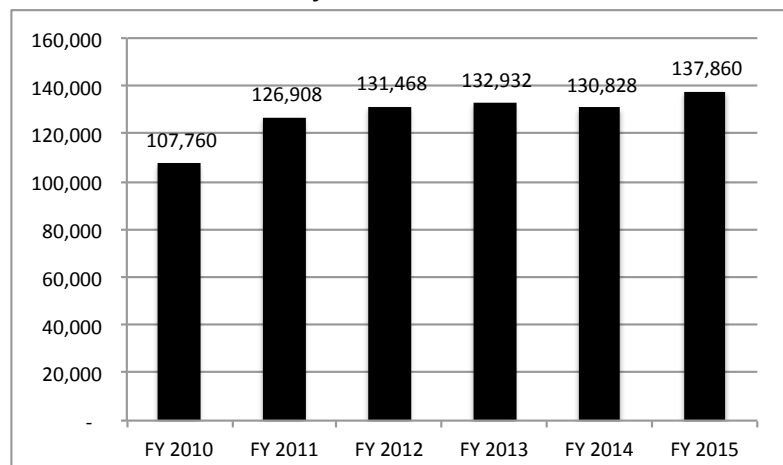
- The number of students who are earning a degree or certificate has increased **40 percent** since FY 2010.



- The number of students who are transferring to a university with at least 15 semester credit hours has increased **28 percent** since FY 2010.



Transfer to University with 15 Semester Credit Hours



### **Previous Funding of Student Success Points**

- The 83rd Legislature (2013) adopted a new model for funding community colleges which included 1) student success points, 2) core operations, and 3) contact hour funding.
  - For the 2014-15 biennium, \$172.0 million was appropriated for student success points.
  - The 2014-15 student success point appropriation was based on a 3-year average of 929,188 student success points.
  - Each student success point was funded at \$185.12 per point.
- The 84th Legislature (2015) continued funding of student success points as one component of the community college funding model.
  - Rider 23 in S.B. 1 (83rd Legislature, 2013) required the development of a new allocation system that compares the performance of each college district against itself.
  - The new allocation system proposed for the 2016-17 biennium was that student success points should be funded at a rate that is no less than the rate funded in the 2014-15 biennium (\$185.12 per point).

### **Mechanics of Student Success Points**

- The metrics system in place for student success points is designed to reward achievement and progress for all students (from the least prepared to the most college-ready).
- Student success points metrics have been under development and refined since 2010.
- Student success points are calculated each fiscal year.
- A 3-year average is used for appropriating student success points (to account for fluctuations in points from year to year).
- Student success points measure a snapshot of a target fiscal year rather than a cohort data approach. For example, fall 2014 to summer 2015 is Fiscal Year 2015.
- The time period used to measure each student success point area differs and will be articulated in each of the definitions below.

### **Definitions of Student Success Points**

#### **Complete Developmental Education**

Only students who are not ready in math, reading, and/or writing as first time undergraduates can potentially qualify for student success points in this category. The time period for completing developmental work is the target year being measured and the 2 previous years (3 years total). If a student successfully completes developmental work in the fiscal year being measured, then one point is awarded for math completion, .5 point for reading completion, and .5 point for writing completion.



**First College Course for Credit**

If a student successfully completes the first college level math, reading, and/or writing course with a letter grade of “A-B-or C” in the fiscal year measured, then one point is awarded for completion of the math course, .5 point for completion of the reading course, and .5 point for completion of the writing course. The time period for tracking this measure is the target year being measured and the 3 previous years (4 years total).

**Complete 15/30 Semester Credit Hours**

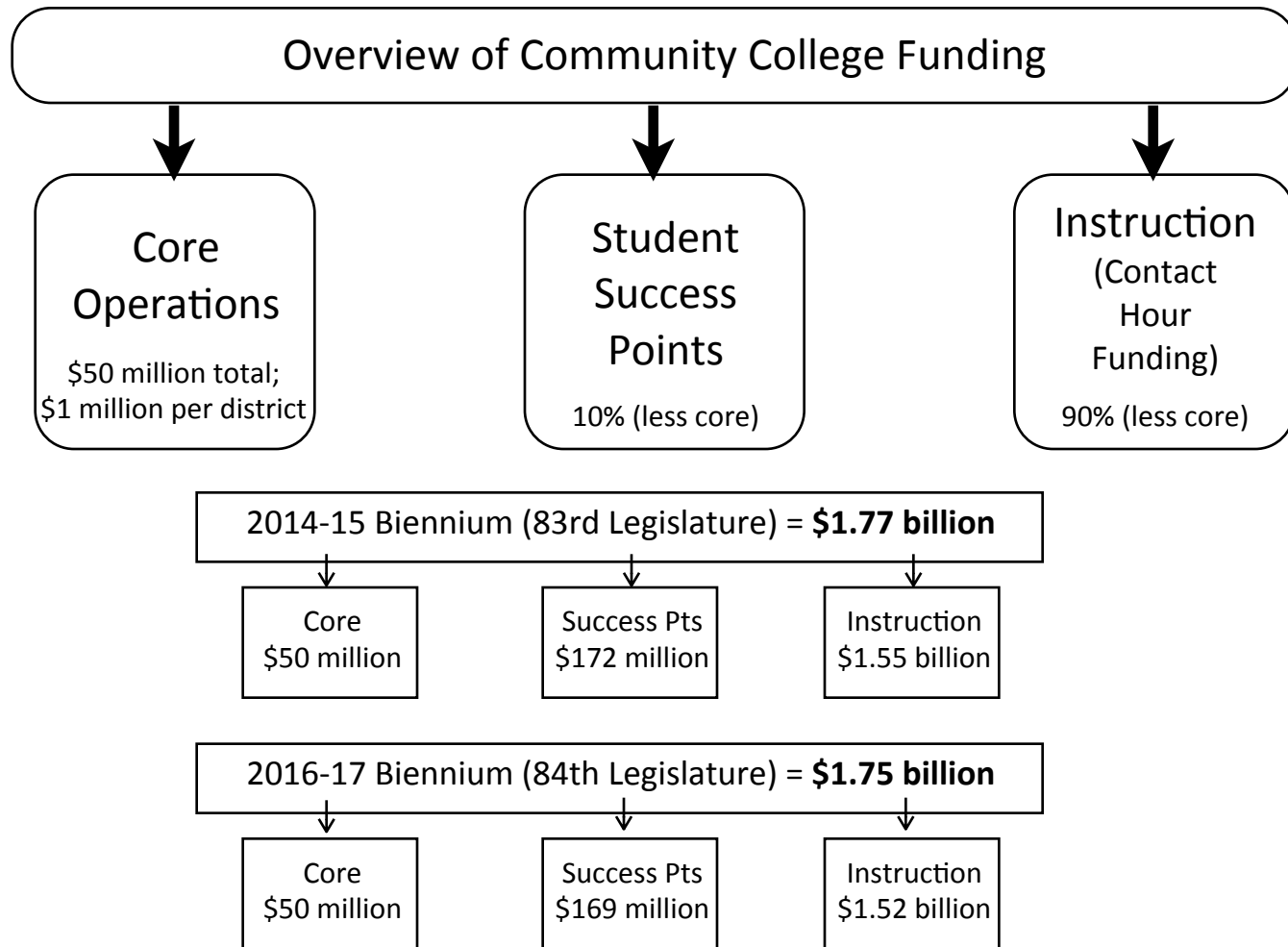
If a student successfully completes at least 15 semester credit hours and/or 30 semester credit hours at the same institution during the target year being measured, then one point is awarded for completion of 15 hours and one point is awarded for completion of 30 hours. The time period for this measure is the fiscal year being measured and the 3 previous years (4 years total).

**Earn a Degree or Certificate**

If a student earns a Bachelor’s of Applied Technology (BAT), an Associate’s degree, a Level 1 or Level 2 Certificate, an Advanced Technology Certificate or completes the Core Curriculum during the target year being measured, then two points are awarded. If a student completes a degree or certificate in a critical field, then 2.25 points are awarded. Unduplicated degrees and certificates awarded by the district in the target year being measured are counted.

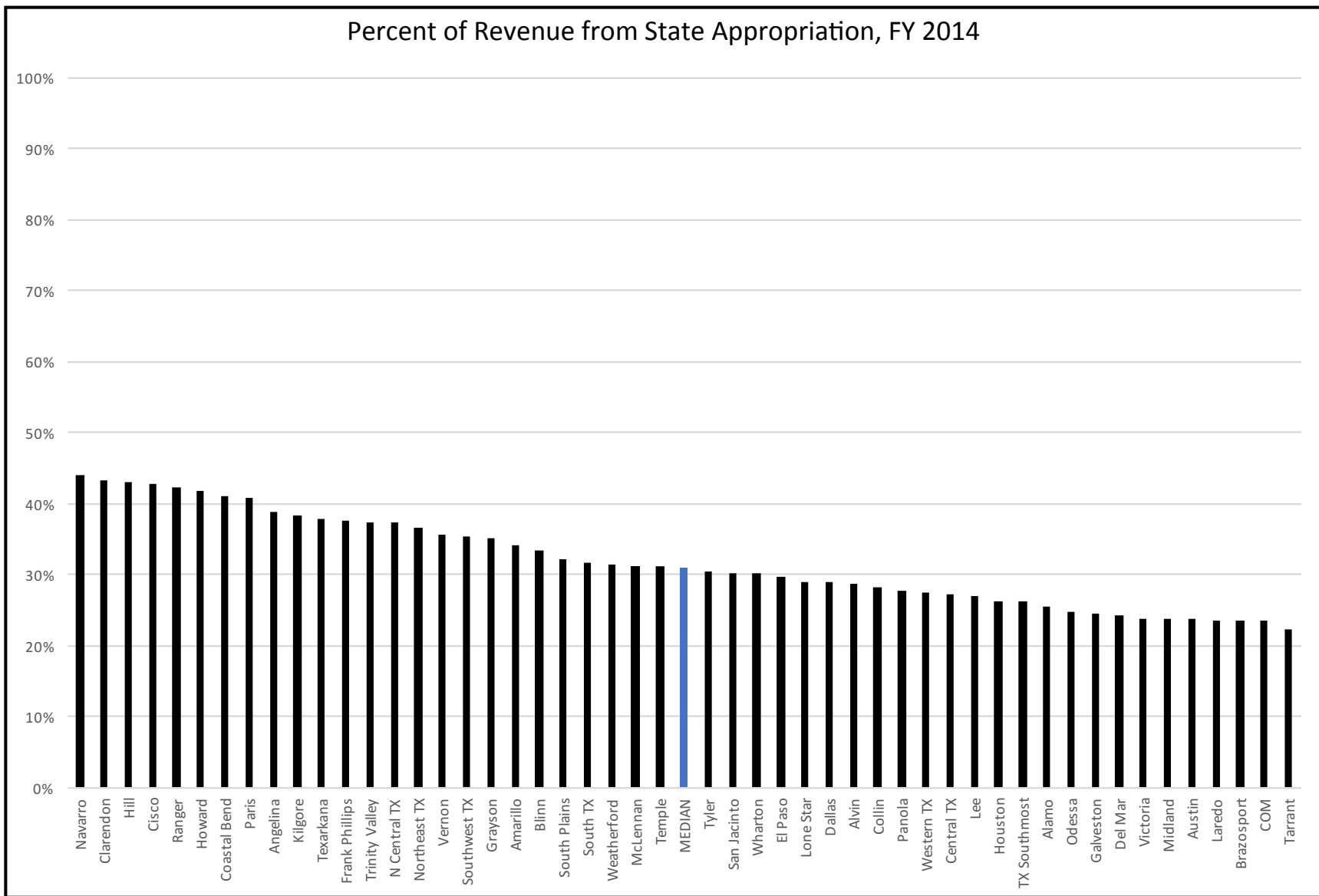
**Transfer to University with 15 Semester Credit Hours**

If a student has successfully completed at least 15 semester credit hours at the same institution and a record is found by the Coordinating Board at a Texas public/private university in the target year being measured, then two points are awarded. The time period for this measure is the fiscal year being measured and the 3 previous years (4 years total). Colleges may report out-of-state enrollments using National Student Clearinghouse data.



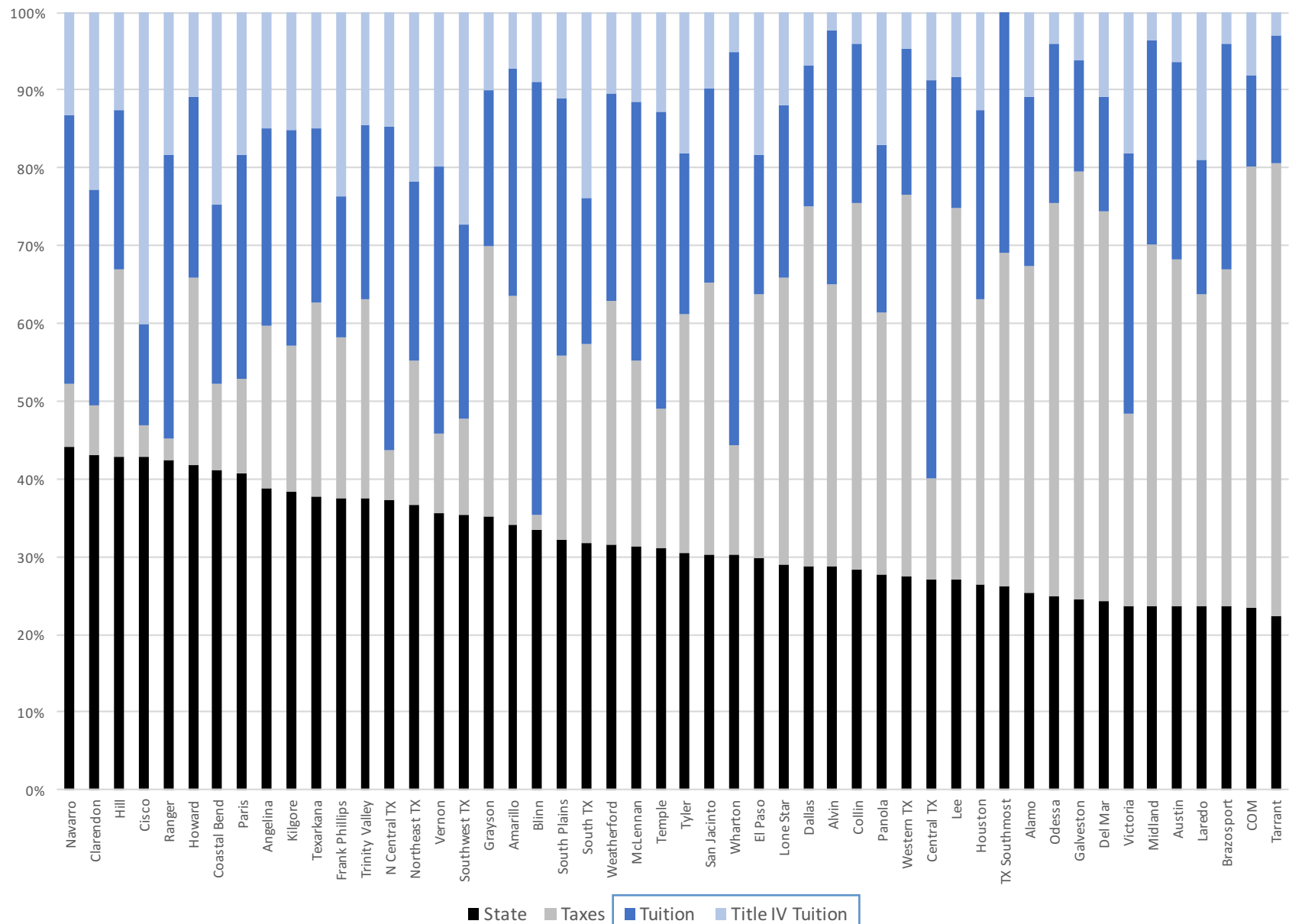
### Employee Benefits

The 83rd Legislature passed SB 1812 (Duncan) which established a 50/50 cost sharing plan between the state and community colleges for employee benefits--both employee group health insurance and the employer portion of employee retirement. \$402.2 million was appropriated in the 2014-15 biennium and \$432.8 million was appropriated in the 2016-17 biennium for employee benefits.



*\*Includes all state revenue (Core Operations, Student Success Points, Instruction, and Employee Benefits) except Special Items and Bachelor of Applied Technology.*

Three Primary Sources of Operational Revenue, FY 2014



\*Funds not included in this analysis are: restricted ad valorem taxes, federal grants & contracts, Title IV pass-through to students, and auxiliary/other funds.

### **Summary Statistics for Three Primary Revenue Sources**

- State Revenue: median percent = 31%; high percent = 44%; low percent = 22%
- Local Taxes: median percent = 29%; high percent = 58%; low percent = 2%
- Total Tuition and Fees: median percent = 37%; high percent = 65%; low percent = 19%
  - Tuition and Fees: median percent = 24%; high percent = 56%; low percent = 12%
  - Federal Title IV Tuition and Fees: median percent = 12%; high percent = 40%; low percent = 0%

### **Definitions for Three Primary Revenue Sources**

- State Revenue - total state revenue (Instructional General Revenue, Group Health Insurance state appropriation, Retirement benefits state appropriation). Special Item Funds and Bachelor of Applied Technology Funds (less than 1% of total funds) are not included.
- Local Taxes - Maintenance and operation (M&O) tax revenue from Annual Financial Report. Debt service ad valorem tax revenue is not included.
- Total Tuition and Fees = Tuition and Fees + Federal Title IV Tuition and Fees
  - Tuition and Fees: Net tuition and fees from Annual Financial Report (AFR) plus Scholarships, Grants, and other awards made to students that are recorded in Schedule A of the AFR as a tuition discount.
  - Federal Title IV Tuition and Fees: Title IV Higher Education Act Funds (mainly Pell Grants) are received by the college and passed through to the student. Total Title IV HEA Funds are recorded in each district's FY 2014 CAFR Exhibit 2 as Federal Grants and Contracts - Non Operating Revenues. When a Title IV grant is used by the student for tuition and fees, it is recorded as a tuition discount in Schedule A of the FY 2014 CAFR (Title IV Federal Grants). For this analysis, Title IV funds that were recorded as tuition and fees are included in the calculation of each district's total revenue. The Title IV funds that were passed through to the student are not included.
- Funds Not Included in Analysis: Restricted ad valorem taxes (debt service), Federal Grants and Contracts, Title IV pass-through to students, and auxiliary/other funds.

# Texas Community Colleges Funding Request for 2018-19 Biennium

## Impact

**State:** Texas Community Colleges are vital to the [economic well-being](#) of the State of Texas. Individually and in aggregate, Texas Community Colleges will play a central role in advancing the key strategies of the new Texas Strategic Plan for Higher Education, [60X30TX](#).

**Regional and Local:** Each of the [50 Community College Districts](#) serves as a central partner with school districts, universities, business, and industry to build successful pathways from public schools to postsecondary education to workforce for their respective communities.

## Funding

Consistent with the recommendation of the Texas Higher Education Coordinating Board, Texas Community Colleges will request state funding, which is forward-facing, aligned with the state's higher education goals (60X30TX), and sensitive to the fiscal position of the State of Texas. Towards those ends, Texas Community Colleges respectively request of the 85<sup>th</sup> Legislature **\$1.94 billion** in General Revenue to fund Core Operations, Student Success, and Instruction at the 50 community college districts and request the following funding amounts:

### **Core Operations: \$50,000,000 (same as 2016-17)**

All 50 college districts have basic operating costs. The \$500,000 per district per year level of funding was established by the 83<sup>rd</sup> Legislature.

### **Student Success: \$186,621,616 (\$17 million increase from 2016-17)**

Texas Community Colleges continue to advance programs and strategies that improve student success on multiple metrics. In order for the Student Success Points system to effectively reward institutions for improvements in student success, the points need to be funded at a minimum of \$185 per point.

### **Instruction: \$1,705,262,397 (\$183 million increase from 2016-17)**

The largest portion of state revenue provides community colleges with funds for instruction. The ability of community colleges to meet workforce skills demands, increase dual credit courses, and expand educational opportunities for all students is directly tied to instructional funding appropriated by the Legislature.

## Summary of Request for 2018-19 Biennium

<b>TOTAL Core, Student Success, &amp; Instruction, 2018-19</b>	<b>\$1,941,884,013</b>
<b>TOTAL Core, Student Success, &amp; Instruction, 2016-17</b>	<b>\$1,741,684,013</b>
<b>Additional General Revenue Request of Texas Community Colleges</b>	<b>\$200,200,000</b>

State Funding Impact on Revenue Mix

